

CALIFORNIA'S PERSPECTIVE ON THE 2007 FARM BILL

Written Testimony

of the

California Rangeland Conservation Coalition

to the

California Department of Food and Agriculture

Presented by

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Coalition Steering Committee Chair

and

Director of Industry Affairs

for the

California Cattlemen's Association

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Sacramento, California

Secretary Kawamura, thank you for recognizing the important role the Farm Bill has on California Agriculture and leading the effort to develop California's Perspective on the 2007 Farm Bill. My name is Tracy Schohr and I am the Director of Industry Affairs for the California Cattlemen's Association, a nonprofit, nonpartisan trade association representing our state's beef cattle producers in legislative and regulatory affairs. Today, I am here on behalf of the California Rangeland Conservation Coalition (Coalition), where I serve as the Steering Committee Chairman.

Just a year ago, California ranchers, environmentalists, and agencies founded a historic agreement titled the California Rangeland Resolution. This unprecedented partnership brought together former foes in a bid to conserve private working landscapes and wildlife habitat. Today, the resolution is signed by 43 agricultural organizations, environmental interest groups, as well as state and federal agencies. It recognizes that the rangeland encircling California's Central Valley and interior coast ranges supports numerous imperiled species largely due to grazing and other land stewardship practices of the ranchers that own and manage them. The signatories of the resolution have pledged to work together to preserve and enhance California rangeland for protected species and common species, while supporting the long-term viability of the ranching industry. Together these signatories form the California Rangeland Conservation Coalition.

We recognize the Farm Bill is intrinsically linked to our Coalition's ability to fulfill the guiding principles of the Resolution. The comments presented today are mutually agreed upon by signatories to the resolution and specifically listed below. Today I am honored to have the opportunity to represent a diverse group of organizations with common goals to preserve California's ranching industry.

There are numerous pressures facing ranchers that jeopardize the viability of the ranching industry in our great state, and also threaten a rich and varied landscape of grasslands, oak woodlands, vernal pools, riparian areas and wetlands. These habitats support numerous imperiled species, many native plants that once flourished in the Central Valley, and the highest diversity and density of wintering raptors anywhere in North America. There is a clear need for increased funding for conservation programs, in addition to specific changes within these programs to make them effective in California and appealing to California ranchers.

The Environmental Quality Incentives Program:

The first Farm Bill program of interest to the Coalition is the Environmental Quality Incentives Program (EQIP). EQIP is an important conservation program as it provides critical funding for required air, water and habitat improvements. There is clearly a need for increased EQIP funding for California with a large number of producer applications currently left unfunded. We support the concept of the prioritization of conservation funding based upon economic efficiency, effectiveness in addressing resource of concern, and environmental performance. Furthermore, we support providing incentives to states that prioritize based upon the previous factors, in addition to innovation, collaboration, performance, and demonstration of effectiveness monitoring and evaluation.

There is widespread support for the U.S. Department of Agriculture (USDA), in the allocation of these funds, to consider the degree ranchers and farmers in each state are under pressure to comply with environmental regulations. Within EQIP, a program should be created to provide funding for farmer-to-farmer education through demonstration. The program should also support ranchers sharing environmental stewardship practices not only with other ranchers, but sharing them with the public as well. We also support the increased availability of technical assistance by encouraging the Natural Resources Conservation Service (NRCS) to contract with appropriate third parties to deliver technical assistance on a project-by-project basis with dedicated levels of funding. We also support the increased focus of funding on cooperative conservation projects that involve multiple landowners.

Further, we believe that NRCS should consider the variations in the costs of practices and product value by establishing differentiated rates for incentive payments for land management practices. Finally, NRCS needs to emphasize conservation practices on ranches such as range seeding, range improvement, prescribed fire, restoration, and irrigation equipment.

The Wildlife Habitat Incentives Program:

The Wildlife Habitat Incentives Program (WHIP) is utilized by ranchers for assistance in perennial grassland restoration, riparian restoration, implementing solar panels for pumps, erosion reduction, etc. California ranchers also look to WHIP for funding of conservation projects, such as stockpond improvements, that benefit sensitive, threatened or endangered species, including the California tiger salamander and California red-legged frog. Therefore, the Coalition supports the concepts of providing incentive payments, with outlined assurances of benefits to wildlife, to landowners who protect and restore habitat for endangered, threatened or candidate species. In addition, cost share payments up to 100% of actual costs for practices required under voluntary agreements to protect and restore plant and animal habitat should be allowed. And, NRCS should also prioritize WHIP funding for at-risk species. Finally, we strongly recommend that WHIP funding is increased from \$85 million to \$300 million annually.

The Grasslands Reserve Program:

The Grasslands Reserve Program (GRP) is important to assist in carrying out the goals within the California Rangeland Resolution to protect ranching, by utilizing conservation easements to preserve working landscapes in perpetuity. However, this program should allow for 3rd parties, such as the California Rangeland Trust to negotiate the easement, mirroring language which allows this under the Farm and Ranch Land Protection Program. In addition, we recommend that the GRP program is expanded to five million acres with a focus primarily on permanent conservation easements.

The Coalition also supports the creation of an enhancement component for GRP similar to the Conservation Reserve Enhancement Program (CREP) for lands enrolled within the Conservation Reserve Program and Wetlands Reserve Enhancement Program (WREP) for lands under the Wetlands Reserve Program (WRP). Finally, we support the creation of an additional enrollment

category that would allow up to three million acres of lands coming out of the Conservation Reserve Program (CRP) to be enrolled in permanent GRP easements.

The Farm and Ranchland Protection Program:

The Farm and Ranchland Protection Program (FRPP) program needs to undergo program changes within the 2007 Farm Bill to adequately assist our Coalition in preserving rangelands. There is a need for additional funding for rangeland conservation easements in California. Currently, the California Rangeland Trust has over 62 applications owning in excess of 420,000 acres who are waiting for additional funding to become available in order to place a conservation easement on their working ranches. The FRPP is not currently meeting the needs of the ranching community. For instance, there needs to be an adjustment to the emphasis on soils for rangelands so that the focus is not solely on class one soils. Many times landowners are ranching rather than farming the land because the soil is not prime. Thus, a shift in the focus on class one soils for ranchland would allow ranchers to more equitably compete with farms for funding under the program. Our solution is to create separate funding sources for farm land and ranch land, and create separate funding criteria that better judges the value of these diverse lands. We also recommend increasing funding for the FRPP from \$100 million to \$300 million.

The Wetlands Reserve Program:

Wetlands Reserve Program (WRP) should be expanded to cover 5 million acres. There is also support for the inclusion of language within the program to support the use of managed grazing within Management Plans covering WRP property. When a rancher participates in the program they are still responsible for maintenance, taxes, and improvements to the property. The utilization of grazing if it coincides with the Management Plan would help off set some of these costs. The Coalition also supports rental payments that take into account local land values when negotiating contracts. Furthermore, projects that protect species of special concern and contain water quality improvements should be taken into account by NRCS when it determines which projects to support.

The Conservation Security Program:

The Coalition supports the Conservation Security Program (CSP) because we believe that proper range management meets the conservation goals of this program. We support full funding of the CSP.

Technical Support:

A goal of the Coalition is to work to recover imperiled species and enhance habitat on rangelands while seeking to minimize regulations on private lands and streamline processes. The continued availability of adequate funding for technical assistance within the Farm Bill is essential to further this effort of permit coordination on a local and state level, in addition to providing one-on-one assistance to landowners for resource support and guidance. Technical assistance outside

of Farm Bill programs provided by the NRCS is very important, well received by private landowners, and sought by numerous ranchers. The Coalition supports maintaining funding within the Farm Bill for Technical Assistance and recommends increasing appropriated funds.

Conservation Innovation Grants:

Our Coalition was founded upon the common goals of keeping ranching lands ranching, keeping common species common, encouraging habitat protection on ranching lands by providing incentives and minimizing the need for regulation, and creating a template for future cooperation. In less than a year we agree upon so much, yet we have so far to go in order to achieve our founding goals. Therefore, we see the importance of supporting unique, forwarding thinking groups such as ours through the Conservation Innovation Grant program within the Farm Bill. The Coalition wholeheartedly believes that funding for the development and adoption of innovative conservation approaches and technologies should be expanded within the 2007 Farm Bill. Thus, we support expanding the CIG program from \$25 million to \$100 million a year by 2013, and improve it to ensure effective and efficient technology transfer.

Integrated Pest Management:

The Coalition supports a new initiative within the 2007 Farm Bill supporting and encouraging Integrated Pest Management (IPM) for noxious and invasive weeds. Ranchers and conservation organizations mutually recognize the benefits associated with IPM.

Expanded Use of Mitigation Funds:

The Coalition supports the use of mitigation funds for cost-share programs. This improvement would not require additional funding, but would leverage current funding. California has an abundance of mitigation funds available. If the 2007 Farm Bill explicitly stated the acceptance of mitigation funds for cost-share programs, the amount of acreage restored, enhanced or preserved would increase significantly.

Adjusted Gross Income:

The Adjusted Gross Income (AGI) limits within the Conservation Title should be removed. Considering the previously agreed upon recommendations, the Coalition supports the removal of this limitation in order to continue the positive strides made towards preserving our state's natural resources.

Issues Outside of the Conservation Title:

Research: Since one of the key goals of the Coalition is to facilitate additional research on rangeland, we recommend strong support for the Research Title. We also recommend a requirement to conduct outreach to ranchers, University California Cooperative Extension, other rangeland scientists and practitioners, including land trusts and public agencies that own/manage lands, and the public to disseminate rangeland related research. In addition, we

support a mandated initiative to fund research on best management practices, technology and approaches that help ranchers meet environmental goals.

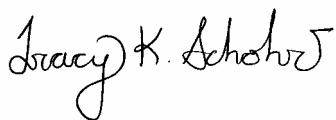
Tax Relief: The Coalition supports the exemption or deduction of capitol gains taxes on permanent conservation easements placed upon rangeland maintained as working landscapes in perpetuity. Each year tens of thousands of acres are converted out of rangeland. If maintained as a working landscape, ranching operations sustain their role in the rural economy, and the lands maintain local, state and federal tax bases. Coalition partners are currently working together to conduct an economic analysis focusing on the benefits derived from easements (market and non-market) in relation to its impact on tax revenue.

Conclusion:

The cooperative conservation of California's natural resources is incredibly important to both ranchers and the conservation community. Ranchers struggle to maintain economical operations, while striving to enhance and support wildlife and plant diversity. The Farm Bill, in conjunction with the NRCS, plays a critical role in achieving this balanced and sustainable relationship. It is imperative that the State of California, in formulating its Farm Bill position, and ultimately the U.S. Congress in writing the 2007 Farm Bill, recognize the Coalition's priorities to preserve the ranching tradition in harmony with nature. Though members of the Rangeland Coalition have not always seen eye to eye in the past, and still bring different perspectives to the table, we all strongly agree that keeping open spaces open and helping good stewards remain on the land is important to the future of California.

On behalf of the California Rangeland Conservation Coalition and the California Cattlemen's Association, we thank you again for the opportunity to provide this testimony and we look forward to continuing to work with you to develop California's Perspective. For questions or additional information regarding the California Rangeland Conservation Coalition please Tracy Schohr, Director of Industry Affairs, California Cattlemen's Association at (916) 444-0845 or tracy@calcattlemen.org or Kim Delfino, California Program Director, Defenders of Wildlife at (916) 313-5800 or kdelfino@defenders.org.

Sincerely,



Tracy Schohr
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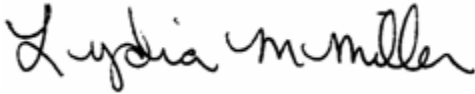
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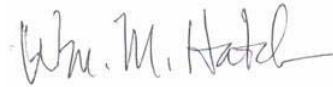
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Attachment: California Rangeland Resolution